

MISSOURI STATE BOARD OF ACCOUNTANCY

Summer Edition 2023



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Upcoming Meetings

August 23 & 24, 2023
October 19, 2023

See Board website for location and
any updates to meeting dates



RENEWAL SEASON 2023

CPA (Active & Inactive)

Renewal season is upon us. For those CPAs in the odd year renewal cycle, the online portal will open the first week of July 2023, and will close at 11:59 p.m. on September 30, 2023. Although most CPAs renew using the online portal, if you prefer to renew by paper, please contact the board office.

Prior to renewing online, ensure you have updated your contact information as this will avoid delays in your renewal process. If you need to make changes, now is the time. Simply go to the following link and make the necessary updates: <https://pr.mo.gov/accountancy-address-name-changes.asp>. You can always email the board to make address changes as well.

As always, you will need to enter the CPE hours, including ethics, obtained in the prior two calendar years (2021 and 2022).

Please ensure you keep a record of CPE obtained for the last five years in the event you are selected for an audit. If selected, you will need to provide the requested CPE to the board through CPE Audit Services. If you have not registered with CPE Audit Services, registration directions will be sent to you if you are selected for audit.

The board will provide courtesy notices to those individuals up for renewal. These notices will come to your physical address or email address on file with the board. Much of the board's licensee communication occurs through email so your renewal notice will first come via email and if necessary, postcard renewal notices will be sent via mail. Life is pretty fast paced these days and a little reminder can sometimes be helpful. So again, make sure your address/email information is current with the board.

Renewal fees for an active license remain the same this year. Your renewal fee is \$80 with a small credit card processing fee for those renewing online. Inactive license renewal fees will be \$50 this year. There is not yet an online option for

Continued on page 2

MISSOURI STATE BOARD OF ACCOUNTANCY

RENEWAL SEASON 2023 (continued from page 1)

inactive license renewals, so those with inactive licenses will receive a paper renewal to their address on file with the board.

CPA Firms

Your annual renewal cycle begins the first week of August and ends at 11:59 p.m. on October 31, 2023.

Most firms are required to answer whether they are registered with the Missouri Secretary of State. Please see the Missouri Secretary of State Q & A article in this newsletter if you have questions about this requirement.

Just as a reminder, the person responsible for signing off on the renewal must affirm CPAs working in their firm have a Missouri CPA license or have applied for a Missouri license. Be sure to ensure proper licensure of your firm's CPAs prior to signing the annual renewal form.



RECENT RULE CHANGES

Board rules can be accessed through the board's website at <https://pr.mo.gov/accountancy.asp>.

The following rule revisions were effective May 30, 2023:

[20 CSR 2010-2.085 – Reinstatement of Firm Permit](#)

This is a new rule that established requirements and procedures for the reinstatement of a CPA firm permit.

[20 CSR 2010-2.160 – Fees](#)

Changes were made to CPA-Inactive initial licensure and renewal, CPA and CPA Firm reinstatement and delinquent fees for licensees.

[20 CSR 2010-3.060 – Other Responsibilities and Practices](#)

Additional approved methods of communication with licensees were added to the rule, specifically hand delivery and verified electronic mail (read receipt). These methods were added to the existing communication method of mail.

[20 CSR 2010-4.031 – Continuing Professional Education \(CPE\) Documentation](#)

The revision to this rule provided additional clarification to the CPE cure process to include specific time requirements for use of the CPE cure period.

[20 CSR 2010-4.035 Inactive, Expired and Lapsed Licenses](#)

This rule revision changed the late renewal period for CPA licenses and CPA firm permits. The late renewal period was changed from a two-year period to the last day of the licensee's current renewal year. Licenses or permits not renewed during the normal renewal window will be in a late renewal window until December 31st of the renewal year. After December 31st of the renewal year, license and permits will be considered lapsed. If a licensee wishes to obtain active status after a license or permit has entered lapsed status, they would submit the applicable reinstatement application to the board.

MISSOURI STATE BOARD OF ACCOUNTANCY

MISSOURI SECRETARY OF STATE Q&A FOR MISSOURI CPA FIRMS

Do I have to register with the Missouri Secretary of State?

The Board's statutes and Missouri law require any person or business entity which transacts business in the state under a name other than their own "true name" to register that business name with the Missouri Secretary of State in some fashion. The registration requirements depend on the type of entity structure of the firm.

What are the registration requirements for the Missouri Secretary of State?

Professional Corporations (PC)

Professional corporations are formed under Chapter 356 RSMo. In order to register your professional corporation with the Missouri Secretary of State, you must first apply for a firm permit with the Board and obtain the required Certificate of State Board Registration from the Board in order to register your PC. Under Chapter 356 RSMo., in order to be a PC the firm must be owned 100% by CPAs. Additionally, names must comply with Missouri's naming requirements. Specifically, your business name must include the words Professional Corporation or the abbreviations PC, or P.C. Your name must also be different from an existing business in the state.

Sole Proprietorship/General Partnership

Sole proprietorships and general partnerships can be formed or created without the involvement of the Missouri Secretary of State. In fact, the Missouri Secretary of State does not receive or accept filings related to the creation of these business types.

However, Missouri law requires any person or business entity which transacts business in the state under a name other than their own "true name" to register that business name with the Missouri Secretary of State as a Fictitious Name Registration. For example, if your firm name is John Smith, CPA and your "true name" is John Smith, you will not need to register your business with the Missouri Secretary of State. However, if your firm name is Smith CPAs, you would need to register your firm with the Missouri Secretary of State using the Fictitious Name Registration forms.

A fictitious name is a name under which any person or business shall do or transact any business in this state which is other than the true name of such person or business. A fictitious name is commonly referred to as a "DBA", an acronym for "doing business as". Filing a fictitious name registration does not afford or secure any exclusive rights to the name.

Section 417.200 RSMo. requires anyone doing business under a name other than their true name to file a fictitious name registration with the Missouri Secretary of State.

Limited Liability Partnerships (LLP)

Limited Liability Partnerships are formed under Chapter 358 RSMo. Before applying for a CPA firm permit with the Board, an LLP must be registered with the Missouri Secretary of State. Names must comply with Missouri's naming requirements. Specifically, your business name must include the words Limited Liability Partnership, LLP, or L.L.P. Your name must also be different from an existing business in the state.

Limited Liability Companies (LLC)

Limited Liability Companies are formed under Chapter 347 RSMo. Before applying for a CPA firm permit with the Board, an LLC must be registered with the Missouri Secretary of State. Names must comply with Missouri's naming requirements. Specifically, your business name must include the words Limited Liability Company, LLC, or L.L.C. Your name must also be different from an existing business in the state.

Do I have to renew my firm's registration with the Missouri Secretary of State every year in Missouri?

Not all firms will need to renew their registrations annually; however, certain types of entities may be required to complete certain types of annual filings or renewals with the Missouri Secretary of State. It is important to keep your information with their office current and to renew as required to ensure your firm remains in compliance with not only the Board's

Continued on page 4

MISSOURI STATE BOARD OF ACCOUNTANCY

Q&A FOR MISSOURI CPA FIRMS (Continued from page 3)

requirements, but also other state requirements.

Can I be my own registered agent in Missouri?

A registered agent may either be an individual who is a resident of Missouri and whose business office is identical with the entity's registered office (an individual may be their own registered agent), or it may be a corporation authorized to transact business in Missouri and which has a business office identical with the entity's registered office.

The information in this article is intended to give you a general understanding of the various types of entities which you could form for your business. The information is not a substitute for the advice of a lawyer, tax advisor, or other professional. We encourage you to enlist the services of an attorney and/or professional in reaching your own conclusion. You may review additional information related to the Missouri Secretary of State requirements by viewing their website at sos.mo.gov or by calling them at (573) 751-4936.

TIDBITS

New Uniform CPA Examination

See NASBA.org for the latest information on the new examination coming January 1, 2024.

NASBA and the AICPA recommended an extension to the examination credit expiration window from 18 months to 30 months. All state boards were encouraged to consider the recommendation. The Missouri State Board of Accountancy reviewed the matter at its May 10, 2023 meeting and agreed with the recommendation. A revision to the current rule is in progress.

CPE Need to Know

- **Annual Requirement** – 40 hours of which 2 hours must be in ethics
- **CPE Annual Reporting Period** – January through December
- **CPE Grace Period** – January 1st through March 1st for the prior year
- **Approved CPE Providers** – Only require certificate of completion to validate CPE. *Approved providers are: the AICPA, a state society of CPAs or CPE Program Sponsor registered with NASBA (National Association of State Boards of Accountancy).*
- **Non-Approved CPE Providers** – Licensee must provide documentation to the board to be reviewed in addition to certificate of completion.

See board rules found in Chapter 4 for more details. You can access board rules from the board's website at <https://pr.mo.gov/accountancy.asp>.

Retirement Reminder

If you have decided it is finally time to leave the work world, don't forget about your CPA license. You will need to change the status of your active license unless your retirement coincides with your active license expiration date. You can consider applying for an inactive license status (which will allow you to use the credential of CPA-Inactive or CPA-Retired) or you can simply voluntarily surrender your license if you have no plans or desire to use your credentials. Please don't hesitate to contact the board office as our staff will be happy to help you with your options. Oh, and don't forget all those professional social media accounts too. Your CPA credentials will need to accurately reflect your license status. If you hold a PTIN with the IRS, your credentials will also need to be addressed with the IRS. You know best where you are using the CPA credential so don't forget to keep your license status accurate wherever it may be listed or published.

For those individuals holding a lifetime CPA certificate, it is not necessary to apply for an inactive license. You are allowed to continue to use the CPA credential in your retirement as long as it is not in conjunction with public accounting (which requires an active license).

Email Communication

This is now the most often used method of communication between licensees and the board. It is fast, easy and convenient. Make sure your email address is current with the board office. Also, be sure to check your spam or junk folders to make sure board email doesn't land where it won't be seen by you. You may miss important reminders or communication regarding your license or permit.



10 TOTALLY RANDOM BUT INTERESTING FACTS ABOUT ACCOUNTING

The Ancient Accountants

Before a standard numbering system was developed, ancient accountants used clay tokens to keep track of animals and grain.



Luca Pacioli

Luca Pacioli wrote the first book on double entry accounting in 1494. He is referred to as the father of accounting. In this book, he warned that one "should not go to sleep at night until the debits equaled the credits."

First CPA Exam

The state of New York gave its first Certified Public Accountant (CPA) examination in 1896.



Christine Ross

Christine Ross was the first female CPA in the U.S., in 1899. Among Ross' clients included wealthy women and persons working in the business and fashion industries.

John Wesley Cromwell, Jr.

The first African American CPA was John Wesley Cromwell, Jr., licensed in 1921. Cromwell went on to lead a very successful career after he became the controller of Howard University in 1930.



Walter Diemer

Bubble gum was invented in 1928 by accountant Walter Diemer.

Al Capone

Chicago crime boss Al Capone was finally brought down in 1931 by FBI accountants. Capone was ultimately arrested and convicted for income tax evasion.



The Academy Awards

Accountants have controlled the ballots for the Academy Awards every year since 1935. A team of nine CPAs spend up to 1,700 hours prior to Oscar night counting the ballots cast in each category by hand.

Accounting Hall of Fame

Located at the Ohio State University, the Accounting Hall of Fame was founded in 1950 for honoring accountants who have made or are making significant contributions to the advancement of accounting.



FBI

The FBI employs more than 2,000 accounting special agents.